

1 **MINUTES**

2 Policemen's Pension and Relief Fund

3 Thursday, January 12, 2012

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5 On Thursday, January 12, 2012 at approximately 9:00 a.m., a meeting of the Board of Trustees of the
6 Policemen's Pension and Relief Fund of the City of Little Rock, Arkansas was held in the Sister Cities
7 Conference Room at City Hall.

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10 **Agenda Item #1. Call to Order/Roll Call**

11 [00.00.00 into the pension audio]

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13 The Chairman called the meeting to order at approximately 9:00 hours and certified that a
14 quorum of the Board was present. The Roll Call was as follows:

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PRESENT: Bruce Moore Chairman
Steve Young Secretary
Farris Hensley Member
Lee Harrod Member
Don Wood Member
Rusty Watson Member

ABSENT: Sara Lenehan Treasurer

16 Also present were Ms. Joan Adcock, of the City Board of Directors; Mr. Bo Brister, Mr. Alex
17 Jordan, and Mr. Larry Middleton of Stephens Capital Management, Financial Consultants for
18 the Fund; and Ms. Debbie Pharr and Ms. Kathy Lindsey, of the Pension Fund Administrative
19 Staff.

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21 **Agenda Item #2. Notification of News Media.**

22 [00.00.20 into the pension meeting audio.]

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24 The Chairman noted that the media had been properly notified in a letter to the Arkansas
25 Democrat Gazette dated December 29, 2011.

26 **Agenda Item #3. Exigent Business.**

27 [00.00.24 into the pension meeting audio.]

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29 [No exigent business was presented]

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31 **Agenda Item #4. Approval of the December Regular Meeting Minutes**

32 [00.00.34 into the pension meeting audio.]

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34 Mr. Young made a motion to make a change in the Minutes on page 2 in the second line
35 which stated "address *several* issues of concern" to "address *any* issues of concern." Mr.
36 Hensley seconded the motion that was approved by a unanimous vote of the Board. Mr.
37 Hensley then made a motion to approve the December minutes as amended that was
38 seconded by Mr. Young and approved by a unanimous vote of the Board.

Agenda Item #5. Report from Board Legal Consultant

[00.02.18 into the pension meeting audio.]

[Legal Consultant was not present.]

A. Report from City Attorney

City Attorney Tom Carpenter was asked to provide a report to the Board concerning his possible provision of legal services to the Board. Mr. Carpenter reported on his experience in the provision of similar services to other City Boards and Commissions as well as providing significant comments on his possible conflicts of interest and answering questions about those concerns.

Mr. Hensley made a motion [at 00.25.34 into the pension meeting audio] to approve the City Attorney's Office handling the Board's legal counsel while also retaining the Board's current private counsel. Mr. Harrod seconded the motion and Mr. Moore asked if there was any further discussion to which Mr. Young replied "yes" and expressed his concern that the Board's current legal counsel should be consulted before a vote on that issue and inquired of Mr. Carpenter if the Board would have to submit a letter of consent to his representation as was provided in the Arkansas Rules of Professional Conduct. Mr. Carpenter replied that the Board would have to submit such a letter. Mr. Moore stated his agreement with Mr. Young that the Board's current legal counsel should be consulted and that Mr. Carpenter should review the Board's existing contract for legal services prior to a vote on that matter. At that time, both Mr. Hensley and Mr. Harrod withdrew their motion from further consideration and Mr. Hensley stated for the record that he wished to pursue this matter because it was important and would save the fund money. Mr. Moore then suggested that this issue be placed on the March pension meeting agenda because he would be absent from the next pension meeting and the Board decided to place this item on the March agenda.

Agenda Item #6. Report from Board Financial Consultant

[00.37.06 into the pension meeting audio]

A. December Financial Report —Mr. Brister, Financial Consultant for the Fund, gave the December 2011 financial report and stated that on December 31, 2011, the market value of the total Fund was \$43,471,441, not including accrued income of \$51,184. Of that amount, \$24,157,991.65 was allocated to DROP and the Fund's non-DROP portion was \$19,313,449.35. This represents an increase in the account balance of \$337,447 since November 31, 2011 total amount of \$43,133,994. The component of this change was unrealized income of \$278,426.27 and net contributions/withdrawals of \$743.02. [Note: The amounts quoted in the previous sentence are drawn from figures available in other sections of the financial report and are not presented for computational value.] The Fund's overall market rate of return for the month of December 2011 was 0.71% and 1.72% calendar year to date.

Agenda Item #7. Report of Board Lobbyist

[00.51.32 into the pension meeting audio]

[Board Lobbyist was not present]

Agenda Item #8. Report from Board Chairman

[00.51.56 into the pension meeting audio]

- A. Report on non-smoker's insurance premium discount — Mr. Moore stated he asked that his staff submit the costs on that issue in their next report for his consideration in August or September and that he will be able to discuss that issue at that time.
- B. Report on providing space for Pension Board audio files on City server — Mr. Moore stated he did not have an answer to that question yet and Mr. Young stated he did not believe it would be an issue in the future due to the provision of space on another server.

Agenda Item #9. Report from Board Secretary

[00.54.30 into the pension meeting audio.]

[The Secretary had no report]

Agenda Item #10. Report from Board Treasurer

[00.54.38 into the pension meeting audio.]

- A. Financial Reports for December — [No report due to the Treasurer's absence]
- B. Report on change of membership status [00.54.54 into the pension meeting audio] — Mr. Hensley made a motion to approve the pension applications of Mr. Randy Reaves in the amount of \$2,093.54 effective on 12/31/2011, Mr. Charles Simon in the amount of \$2,196.25 effective on 12/31/2011, and Mr. Richard Smith in the amount of \$2,583.12 effective on 12/31/2011 and to remove Mr. Bobby Thomas from our pension rolls who received a monthly benefit of \$2,416.05 because he passed away on December 24, 2011 and place his widow, Mrs. Roberta Thomas, on the pension rolls to receive a benefit of \$2,416.05 monthly effective January 1, 2012 and send Mr. Thomas' estate a death benefit payment of \$6,500 with our sincere condolences. Mr. Harrod seconded the motion that passed by a unanimous vote of the Board.
- C. Response to question concerning the Treasurer's email notification [01.00.31 into the pension meeting audio] — Mr. Moore submitted a letter to the Board that Ms. Lenehan had received from her CPA licensing authority because she was not present and stated that he hoped this matter could be laid to rest. Mr. Hensley stated he had concerns about that response because he said, "I was rather disappointed in the explanation but I feel it is time to move forward and, if there is ever a problem in the future, we can address it at that time, I suppose." Mr. Young had previously stated he shared those concerns. Because Ms. Lenehan was absent from the meeting and due to the concerns expressed by Mr. Hensley and Mr. Young, this item will be addressed at the next pension board meeting.

D. Report on the use of PRB firm to conduct audit of beneficiaries [01.13.02 into the pension meeting audio] — The pension board administrative staff reported that the cost of that service would be \$720 per year that may be divided equally between the Fire and Police Pension Boards or around \$400 per year if the Fire Pension Board does not wish to share that expense. Mr. Hensley made a motion to ask the Fire Pension Board to share the costs of such service and to approve the expenditure for such services in either case. Mr. Harrod seconded the motion that passed by a unanimous vote of the Board.

Agenda Item #11. Board Member Topics of Discussion

[01.18.17 into the pension meeting audio]

Mr. Harrod discussed the Funding Committee's suggestion of a "supplement fund" program that is available from the \$460,000 probation fees and the possible Warrant and Subpoena fees that may be allocated for a supplement fund program. Mr. Moore stated that the \$460,000 would be placed into a separate account so that the Board could decide at some later time what it wanted to do with those funds. Ms. Adcock asked Mr. Moore if it would be possible to disperse at least some of that funding at midyear and he replied that it would. Mr. Harrod also discussed the Funding Committee's suggestion of possibly using the Warrant and Subpoena fees to decrease the time necessary for the fund to merge with LOPFI with a COLA but that possibility was determined to be premature due to the fact that the City has not yet approved such fees for the fund's use. It was also determined that Mr. Young should call Chief Deputy Mike Lowery with the PCSO to determine what funds they receive from such fees and that the next pension meeting agenda shall include an item for the discussion of Funding Committee matters rather than holding a separate Funding Committee meeting.

Agenda Item #12. Fund Members Comments

[No pension fund members other than those on the Board were present.]

Agenda Item #13. Other Business

[01.39.18 into the pension meeting audio]

Mr. Young asked Mr. Hensley if he had any additional information concerning the possible repayment to the fund of the \$100,905 used for the fund's defense in the recent lawsuit filed against it. Mr. Hensley stated he did not and that Mr. Young could call the Board's legal counsel in that matter to determine an answer to that question.

Ms. Lindsey stated that she had sent out the second request for widow's affidavit and that five (5) widows had not yet provided such affidavit. She requested permission from the Board to withhold the benefit payment until such time as those individuals came into the pension office to pick up their benefit checks. Mr. Harrod made a motion [01.43.10 into the pension meeting audio] to approve that request and Mr. Hensley seconded the motion that passed by a unanimous vote of the Board.

Ms. Lindsey also stated that the Board's Financial Consultant's had requested the Board's consideration of moving the date of the pension board meetings to the third Thursday of every

month to provide them with more time to calculate each month's return on investments. It was determined to place that suggestion on the agenda for the next pension board meeting.

Agenda Item #14. Adjourn Meeting
[01.50.33 into the pension meeting audio.]

The meeting was adjourned by unanimous consent at approximately 10:50 am.

Respectfully Submitted,

Stephen R. Young
Board Secretary

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